



Earnings Supplement

Q4 FY2025

April 14, 2025



Cautionary Notes Regarding Forward Looking Statements

This document includes statements that are, or may be deemed to be, “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created by those laws. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook (including revenue, adjusted EBITDA, and free cash flow), our product development and planning, our pipeline, future capital expenditures, share repurchases, financial results, the impact of regulatory changes, existing and evolving business strategies and acquisitions and dispositions, demand for our services, competitive strengths, the benefits of new initiatives, growth of our business and operations, and our ability to successfully implement our plans, strategies, objectives, expectations and intentions are forward-looking statements. Also, when we use words such as “may,” “will,” “would,” “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” “project,” “forecast,” “seek,” “outlook,” “target,” “goal,” “probably,” or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of Skillsoft’s management and are subject to significant risks and uncertainties. All forward-looking disclosure is speculative by its nature, and we caution you against unduly relying on these forward-looking statements.

Factors that could cause or contribute to such differences include those described under “Part I - Item 1A. Risk Factors” in our Form 10-K for the fiscal year ended January 31, 2025. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included in our other periodic filings with the Securities and Exchange Commission. The forward-looking statements contained in this document represent our estimates only as of the date of this filing and should not be relied upon as representing our estimates as of any subsequent date. While we may elect to update these forward-looking statements in the future, we specifically disclaim any obligation to do so, whether to reflect actual results, changes in assumptions, changes in other factors affecting such forward-looking statements, or otherwise.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included in this document, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. Additionally, statements as to market share, industry data and our market position are based on the most currently available data available to us and our estimates regarding market position or other industry data included in this document or otherwise discussed by us involve risks and uncertainties and are subject to change based on various factors, including as set forth above.

Today's Call

- Opening Remarks
- Business Update
- Q4 and Full Year FY2025 Financial Results
- FY2026 Outlook
- Q&A
- Closing Remarks

Ron Hovsepian

**EXECUTIVE CHAIRMAN
AND CHIEF EXECUTIVE
OFFICER**



Rich Walker

CFO



Stephen Poe

INVESTOR RELATIONS



Webcast Details

Webcast Link: <https://event.choruscall.com/mediaframe/webcast.html?webcastid=kycHiPRp>

Audio Dial-in: Toll-free (877) 413-9278 | International: (215) 268-9914

“

We continue to deliver strong execution of our Investor Day transformation plan, which is demonstrated in our fourth quarter and full year results. We delivered on our previously communicated fiscal 2025 commitments, driven by strong execution in the second half, and we are well positioned for continued improvement in fiscal 2026, subject to an evolving macroeconomic environment.

”

Ron Hovsepien
Executive Chairman and
Chief Executive Officer

“

We are very pleased with our financial results for the fourth quarter and full fiscal year which came in at or above the high end of our previously issued guidance ranges. Looking ahead, we are confident in our ability to continue executing on our transformation initiatives and believe we are firmly on track to return to top line growth, drive continued margin expansion, and generate positive free cash flow this fiscal year as indicated by our outlook.

”

Rich Walker
Chief Financial Officer



Recent Business Highlights

- Within our TDS segment, our top ten deals during the fourth quarter represented \$22 million in total contract value with many multi-year deals focused on skill building, skill measurement, ecosystem integrations, and ability to deliver custom content and content from other providers to support the full talent development lifecycle.
- GK's top ten deals during the fourth quarter represented nearly \$6 million in total contract value.
- Our growing portfolio of AI capabilities is demonstrating solid early interest by customers and prospects reaching nearly a total of 1 million launches of our AI simulator, Skillsoft CAISY™, by individual learners and through our limited preview program with 100 enterprise organizations participating as design partners.
- Continued to enhance our ecosystem, highlighted by new integrations with several leading technology partners like SAP Talent Intelligence Hub.



Executing Our Transformation Plan



FINANCIAL TARGET OUTCOMES

\$45M¹+ annualized expense reduction in FY25
Margin expansion in FY25 & FY26
Return to topline growth in FY26
FCF generation in FY26

KEY ACTIONS

Dual Business Unit structure
Restore GK to profitable growth
Improved operational execution
Resource allocation shift¹ –
Invest to Grow to “Build a Leader”

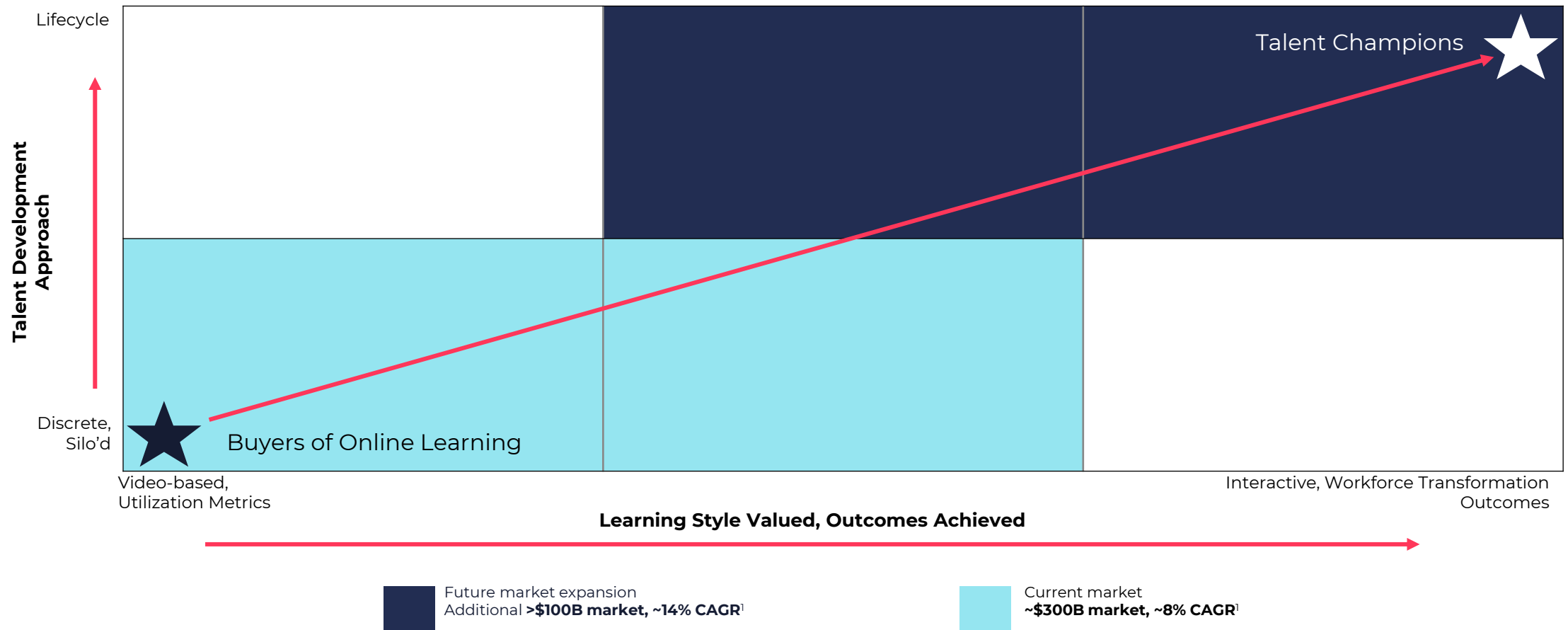
FINANCIAL TARGET OUTCOMES

At or above-market growth
Industry-leading financial profile

KEY ACTIONS

AI-centric product innovation aligned to market
New routes to market optimized
Partner ecosystem scaled

Customers Are Shifting Towards A Talent Development Lifecycle Approach Creating A \$400B Market Opportunity

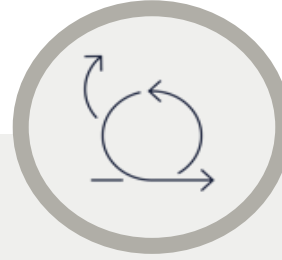


Investment Thesis



Leveraging a unique and powerful asset portfolio

positioned to win in the talent development industry



Making immediate changes to “Fix The Basics”

and achieve profitable growth



Executing a compelling “Invest To Grow” strategy

to capitalize on a significant and growing market opportunity

OUR NORTH STAR:

Create shareholder value through an industry-leading financial profile with above-market growth, profitability, and FCF generation

Q4 FY2025 Financial Highlights

Continued strong revenue execution and improved profitability

Q4 FY25 Talent
Development
Solutions Revenue

\$102.8M

 **1%**

vs. Prior Year¹

Q4 FY25 Dollar
Retention Rate¹

~105%

 **~400bps**

vs. Prior Year¹

Q4 FY25 Adjusted
EBITDA¹
% of Revenue

\$29.9M

22%

 **~190bps**

vs. Prior Year¹

Full Year FY2025 Financial Highlights

Transformation strategy gaining momentum and helped bolster 2H FY2025 financial results

FY25 Talent
Development
Solutions Revenue

\$405.5M

~Flat

vs. Prior Year¹

FY25 Dollar
Retention Rate¹

~100%

▼ ~100bps

vs. Prior Year¹

FY25 Adjusted
EBITDA¹
% of Revenue

\$109.1M

21%

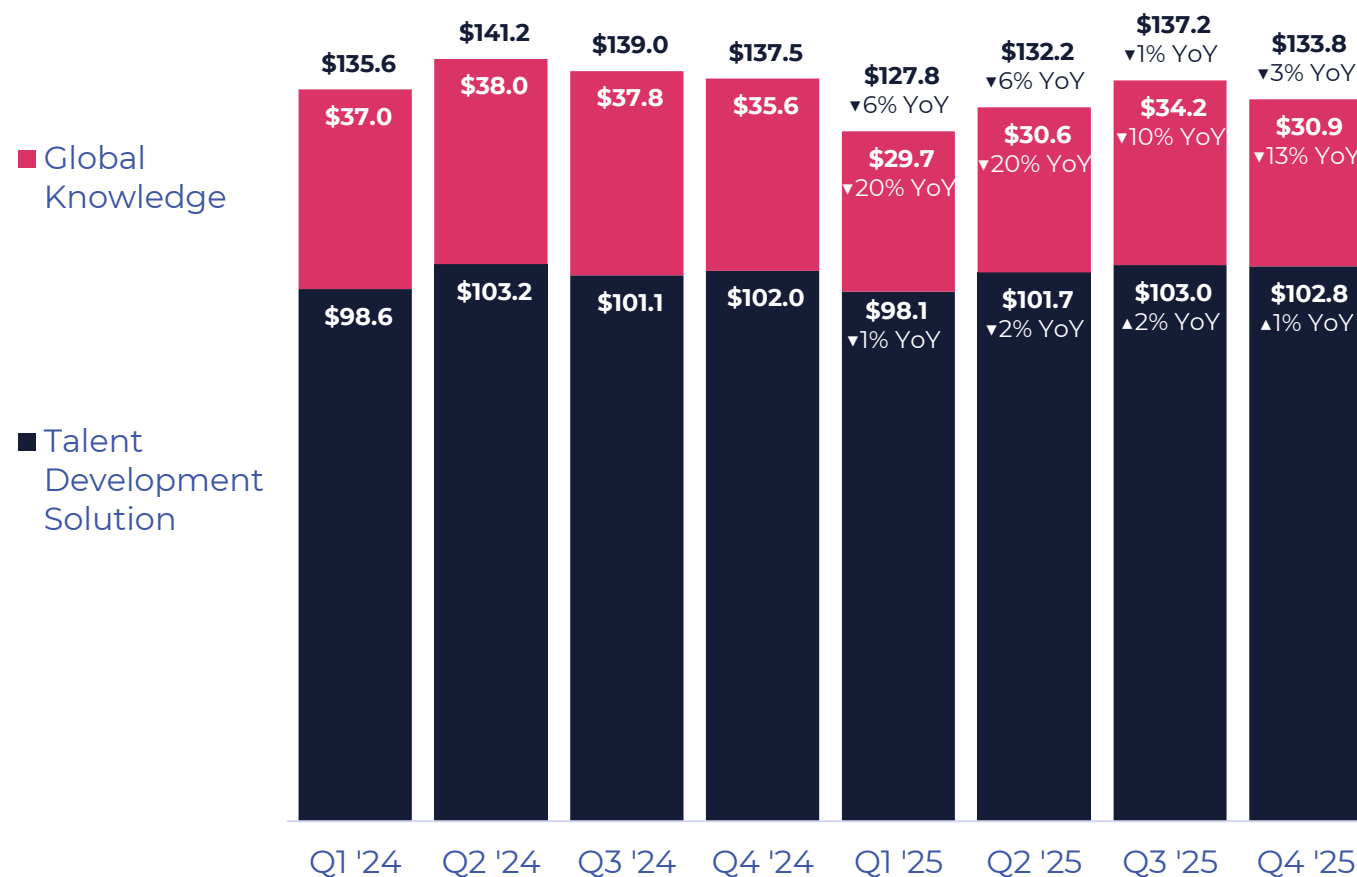
▲ ~160bps

vs. Prior Year¹

Revenue

- Talent Development Solutions Revenue grew 1% in Q4 '25 and roughly flat for FY '25
- Global Knowledge Revenue declined 13% in Q4 '25 and 15% for FY '25
- Total Revenue declined 3% in Q4 '25 and 4% for FY '25
- 77% of Revenue from the Content & Platform segment; 23% from the Instructor-Led Training segment
- Geographic mix: 65% United States, 25% EMEA, 10% rest of world

Revenue performed in line with our expectations; Solid Talent Development Solutions execution and Global Knowledge realignment is driving stabilization



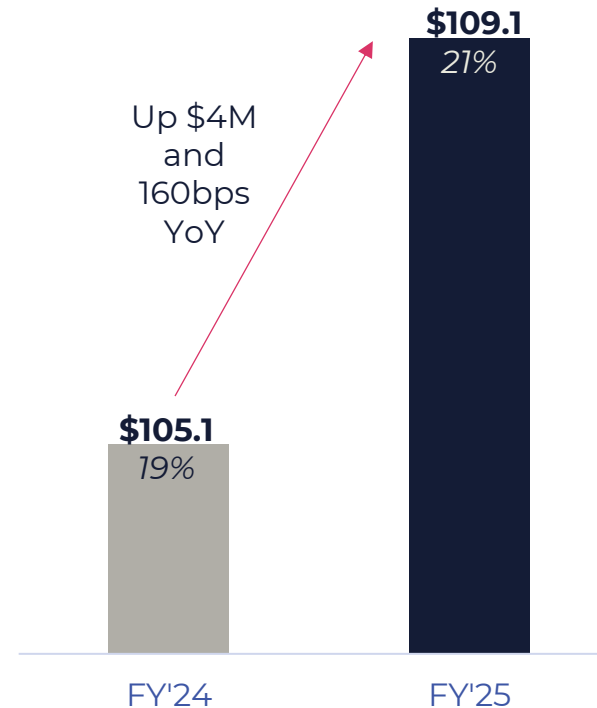
Note: totals may not match due to rounding.

Profitability and Cash Flow¹

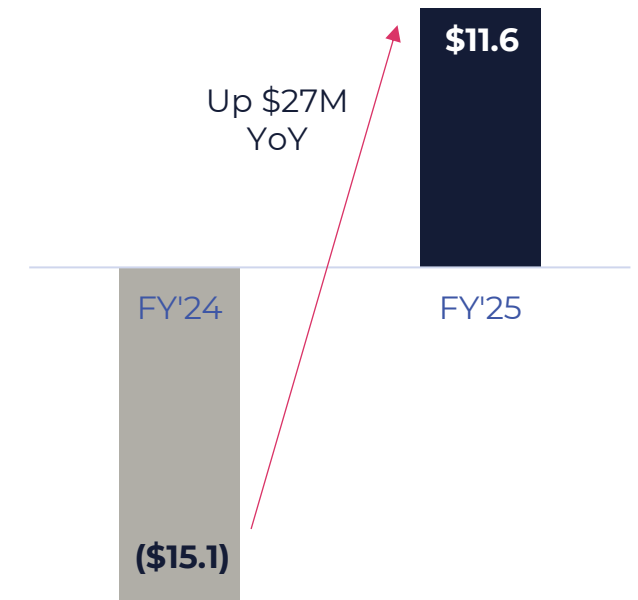
- Q4 '25 Adjusted EBITDA of \$29.9M was up \$2M, or 6%, YoY
- Q4 '24 Adjusted EBITDA margin of 22% was up 190 basis points YoY
- **FY '25 Adjusted EBITDA of \$109.1M reflected a margin of 21% of Revenue, up \$4M and 160bps YoY**
- **Q4 '25 Free Cash Flow of \$13.2M was up \$8M YoY; FY '25 Free Cash Flow of \$11.6M was up \$27M YoY**
- Ended the year with \$103M of cash, cash equivalents, and restricted cash
- Q4 '25 Non-GAAP Operating Expenses of \$103.8M, favorably down 5% YoY; FY '25 Non-GAAP Operating Expenses of \$421.9M, favorably down 6%

Transformation initiatives and continued disciplined expense management helps drive YoY profitability improvement and positive free cash flow generation

Adjusted EBITDA (\$Ms)



Free Cash Flow (\$Ms)



¹ Refer to Appendix for definitions and reconciliation to comparable GAAP measures, as appropriate.

Appendix

Reconciliation of Non-GAAP Financial Measures

The Company has organized its business into two segments (or Business Units): Talent Development Solutions (formerly referred to as Content & Platform) and Global Knowledge (formerly referred to as Instructor-Led Training). We track the non-GAAP financial measures and key performance metrics that we believe are key financial measures of our success. Non-GAAP measures and key performance metrics are frequently used by securities analysts, investors, and other interested parties in their evaluation of companies comparable to us, many of which present non-GAAP measures and key performance metrics when reporting their results. These measures can be useful in evaluating our performance against our peer companies because we believe the measures provide users with valuable insight into key components of U.S. GAAP financial disclosures. For example, a company with higher U.S. GAAP net income may not be as appealing to investors if its net income is more heavily comprised of gains on asset sales. Likewise, excluding the effects of interest income and expense moderates the impact of a company's capital structure on its performance. However, non-GAAP measures and key performance metrics have limitations as analytical tools. Because not all companies use identical calculations, our presentation of non-GAAP financial measures and key performance metrics may not be comparable to other similarly titled measures of other companies. They are not presentations made in accordance with U.S. GAAP, are not measures of financial condition or liquidity, and should not be considered as an alternative to profit or loss for the period determined in accordance with U.S. GAAP or operating cash flows determined in accordance with U.S. GAAP. As a result, these performance measures should not be considered in isolation from, or as a substitute analysis for, results of operations as determined in accordance with U.S. GAAP.

We have provided at the back of this presentation reconciliations of our historical non-GAAP financial measures to the comparable GAAP measures. We do not reconcile our forward-looking non-GAAP financial measures to the corresponding U.S. GAAP measures, due to variability and difficulty in making accurate forecasts and projections and/or certain information not being ascertainable or accessible; and because not all of the information necessary for a quantitative reconciliation of these forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP financial measure is available to us without unreasonable efforts. For the same reasons, we are unable to address the probable significance of the unavailable information. We provide non-GAAP financial measures that we believe will be achieved, however we cannot accurately predict all of the components of the adjusted calculations and the U.S. GAAP measures may be materially different than the non-GAAP measures.

We disclose the following non-GAAP financial measures and key performance metrics in this press release because we believe these non-GAAP financial measures and key performance metrics provide meaningful supplemental information.

- Dollar retention rate ("DRR") - For existing customers at the beginning of a given period, DRR represents subscription renewals, upgrades, churn, and downgrades in such period divided by the beginning total renewable base for such customers for such period. Renewals reflect customers who renew their subscription, inclusive of auto-renewals for multi-year contracts, while churn reflects customers who choose to not renew their subscription. Upgrades include orders from customers that purchase additional licenses or content (e.g., a new Leadership and Business module), while downgrades reflect customers electing to decrease the number of licenses or reduce the size of their content package. Upgrades and downgrades also reflect changes in pricing. We use our DRR to measure the long-term value of customer contracts as well as our ability to retain and expand the revenue generated from our existing customers.
- Adjusted net income (loss) - Adjusted net income (loss) is defined as net income (loss) excluding non-cash items, discrete and event-specific costs that do not represent normal, recurring, cash operating expenses necessary for our business operations, and certain accounting income and/or expenses that management believes are necessary to enhance the comparability and are useful in assessing our operating performance, include the following (including the related tax effects): Restructuring charges – Severance costs and the abandonment of right-of-use assets resulting from the acquisition integration process and cost saving initiatives.
 - Impairment charges - Non-cash goodwill, intangible or other asset impairment charges.
 - Amortization of acquired intangible assets – Non-cash amortization expense of finite-lived intangible assets recognized as a part of business combination accounting.
 - Acquisition and integration related costs – Costs incurred to effectuate an acquisition, including contingent compensation expenses, and integration related costs.
 - Restructuring charges – Charges related to strategic cost saving initiatives, including severance costs, losses associated with the abandonment of right-of-use assets, and contract termination costs.
 - Transformation costs – Costs incurred to transform our operations through significant strategic non-ordinary course transactions.
 - System migration costs – Costs of temporary resources needed for the migration of content and customers from our legacy system to a global platform.
 - Long-term incentive compensation expenses – Charges associated with long-term incentive compensation programs, including stock-based compensation, cash awards tied to stock performance, and awards granted in-lieu of stock that are intended to be settled in cash.
 - Executive exit costs – Costs associated with the departure of executives.
 - Fair value adjustments – Mark-to-market adjustments of warrants and hedge instruments.
 - Other (income) expense, net – Unrealized and realized gains or losses primarily resulting from fluctuations of U.S. dollar appreciating or depreciating against other currencies, and impairments associated with property and equipment and other assets when their carrying values are not recoverable.
 - (Gain) loss sale of business – Gain or loss on non-routine sale on business.
 - Income from discontinued operations – Income from discontinued operations that do not reflect our current operating performance.

Reconciliation of Non-GAAP Financial Measures

- **Adjusted EBITDA** - Adjusted EBITDA is defined as net income (loss) excluding non-cash items, benefit from or provision for income taxes, discrete and event-specific costs that do not represent normal, recurring, cash operating expenses necessary for our business operations, and certain accounting income and/or expenses that management believes are necessary to enhance the comparability and are useful in assessing our operating performance, include the following (including the related tax effects):
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 - Acquisition and integration related costs - Costs incurred to effectuate an acquisition, including contingent compensation expenses, and integration related costs.
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 - (Gain) loss sale of business - Gain or loss on non-routine sale on business.
 - Income from discontinued operations - Income from discontinued operations that do not reflect our current operating performance.
 - Interest expense (income), net - Interest expense on our term loan (net of the interest rate hedge affect) and accounts receivable facility borrowings, partially offset by interest income primarily from the use of money market investments to realize returns on cash balances.
 - Amortization of intangible assets - Non-cash amortization expense for all finite-lived intangible assets.
 - Depreciation expense - Non-cash depreciation expense for property and equipment assets.
 - Provision for (benefit from) income taxes - Current and deferred federal, state and foreign income taxes.
- **Adjusted operating expenses** - Adjusted operating expenses are defined as costs of revenues, content and software development, selling and marketing, and general and administrative expenses, excluding depreciation expense, long-term incentive compensation expense, system migration costs, transformation costs, and other non-cash charges, as applicable.
- **Adjusted contribution margin** - Adjusted contribution margin is defined as revenue less adjusted operating expenses, divided by revenue for the same period.
- **Business unit contribution profit** - Segment ("business unit") contribution profit is defined as revenue, less business unit cost of revenues and business unit content and software development expenses, and business unit product research and management expenses.
- **Business unit contribution margin** - Business unit contribution margin is defined as revenue, less business unit cost of revenues and business unit content and software development expenses, and business unit product research and management expenses, divided by revenue for the same period.
- **Business unit cost of revenues** - Business unit cost of revenue is defined as cost of revenues, excluding depreciation expense, long-term incentive compensation expense, system migration, and transformation expenses.
- **Business unit content and software development expenses** - Business unit content and software development expenses are defined as content and software development expenses, excluding depreciation, long-term incentive compensation, system migration, and transformation expenses.
- **Business unit product research and management expenses** - Business unit product research and management expenses are defined as certain selling and marketing costs reflected in the business unit contribution profit.
- **Free cash flow** - Free cash flow is defined as net cash provided by (used in) operating activities less purchases of property and equipment and internally developed software.
- **Adjusted free cash flow (levered)** - Adjusted free cash flow (levered) is defined as free cash flow plus the cash impact for adjusted EBITDA excluded charges.
- **Free cash flow conversion** - Free cash flow conversion is defined as free cash flow divided by adjusted EBITDA for the same period.
- **Net leverage** - Net leverage is defined as current maturities of long-term debt, plus borrowings under accounts receivable facility, plus long-term debt, less cash and equivalents and restricted cash, divided by adjusted EBITDA for the preceding twelve-month period.

Reconciliation of Non-GAAP Financial Measures

SKILLSOFT CORP.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES
(in thousands, except percentages, unaudited)

| | Three Months Ended January 31, | | Twelve Months Ended January 31, | |
|--|-----------------------------------|---------------------|------------------------------------|---------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Revenues | | | | |
| Talent Development Solutions | \$ 102,805 | \$ 101,957 | \$ 405,530 | \$ 404,850 |
| Global Knowledge | 30,948 | 35,583 | 125,464 | 148,387 |
| Total revenues, as reported | \$ 133,753 | \$ 137,540 | \$ 530,994 | \$ 553,237 |
| Net income (loss), as reported | \$ (31,107) | \$ (245,326) | \$ (121,908) | \$ (349,285) |
| Impairment of goodwill and intangible assets | — | 202,233 | — | 202,233 |
| Amortization of acquired intangible assets (1) | 29,455 | 34,950 | 118,642 | 147,700 |
| Acquisition and integration related costs | 898 | 2,225 | 4,247 | 5,063 |
| Restructuring | 2,912 | 5,386 | 18,273 | 13,978 |
| Transformation costs | 252 | 607 | 1,567 | 3,333 |
| System migration costs | — | 594 | 118 | 2,174 |
| Long-term incentive compensation expenses | 10,164 | 8,150 | 20,602 | 31,067 |
| Executive exit costs | — | — | 3,326 | — |
| Fair value adjustment of warrants | — | (4) | — | (4,754) |
| Fair value adjustment of interest rate swaps | (869) | 8,430 | (1,287) | (2,756) |
| Other (income) expense, net | 584 | 696 | (677) | 1,986 |
| Loss (gain) on sale of business | — | — | — | 682 |
| Tax impact of adjustments | 5,199 | (1,026) | (7,416) | (17,230) |
| Adjusted net income (loss) from continuing operations | 17,488 | 16,915 | 35,487 | 34,191 |
| Interest expense, net | 14,349 | 15,671 | 59,990 | 61,778 |
| Expense (benefit from) income taxes, excluding tax impacts above | (3,440) | (6,504) | 1,677 | 965 |
| Depreciation | 970 | 701 | 3,374 | 3,330 |
| Amortization of capitalized internally developed software (1) | 2,564 | 1,475 | 8,574 | 4,811 |
| Adjusted EBITDA from continuing operations | \$ 29,931 | \$ 28,258 | \$ 109,102 | \$ 105,075 |
| Weighted average common shares outstanding: | | | | |
| Basic and diluted | 8,288,631 | 8,074,976 | 8,200,077 | 8,051,593 |
| Basic and diluted per share information: | | | | |
| Net income (loss), as reported | \$ (3.75) | \$ (30.38) | \$ (14.87) | \$ (43.38) |
| Adjusted net income (loss) from continuing operations | \$ 2.11 | \$ 2.09 | \$ 4.33 | \$ 4.25 |
| Adjusted net income (loss) margin % | 13.1% | 12.3% | 6.7% | 6.2% |
| Interest expense, net | 10.7% | 11.4% | 11.3% | 11.2% |
| Expense (benefit from) income taxes, excluding tax impacts above | (4.1)% | (4.7)% | 0.3% | 0.2% |
| Depreciation | 0.7% | 0.5% | 0.6% | 0.6% |
| Amortization of capitalized internally developed software (1) | 2.0% | 1.0% | 1.6% | 0.8% |
| Adjusted EBITDA margin % | 22.4% | 20.5% | 20.5% | 19.0% |

(1) All amortization is excluded from EBITDA.

Reconciliation of Non-GAAP Financial Measures

SKILLSOFT CORP.
RECONCILIATION OF NON-GAAP FINANCIAL MEASURES - continued
(in thousands, unaudited)

| | Three Months Ended January 31, | | Twelve Months Ended January 31, | |
|---|-----------------------------------|------------|------------------------------------|------------|
| | 2025 | 2024 | 2025 | 2024 |
| Operating expenses: | | | | |
| GAAP costs of revenues | \$ 33,625 | \$ 38,459 | \$ 134,879 | \$ 153,157 |
| Depreciation | (82) | (140) | (397) | (553) |
| Long-term incentive compensation expenses | (207) | (299) | (706) | (762) |
| Adjusted costs of revenues | 33,336 | 38,020 | 133,776 | 151,842 |
| GAAP content and software development | 15,321 | 17,007 | 60,757 | 68,031 |
| Depreciation | (78) | (67) | (296) | (236) |
| Long-term incentive compensation expenses | (1,770) | (968) | (4,831) | (6,318) |
| System migration | — | (594) | (118) | (2,174) |
| Adjusted content and software development | 13,473 | 15,378 | 55,512 | 59,303 |
| GAAP selling and marketing | 40,288 | 40,661 | 162,879 | 170,982 |
| Depreciation | (134) | (83) | (665) | (922) |
| Long-term incentive compensation expenses | (394) | (1,358) | (4,042) | (3,793) |
| Transformation | — | — | (213) | (251) |
| Adjusted selling and marketing | 39,760 | 39,220 | 157,959 | 166,016 |
| GAAP general and administrative | 25,974 | 23,207 | 92,364 | 95,896 |
| Depreciation | (676) | (411) | (2,016) | (1,619) |
| Long-term incentive compensation expenses | (7,793) | (5,525) | (11,023) | (20,194) |
| Transformation | (252) | (607) | (1,354) | (3,082) |
| Executive costs | — | — | (3,326) | — |
| Adjusted general and administrative | 17,253 | 16,664 | 74,645 | 71,001 |
| Total GAAP operating expenses | 115,208 | 119,334 | 450,879 | 488,066 |
| Depreciation | (970) | (701) | (3,374) | (3,330) |
| Long-term incentive compensation expenses | (10,164) | (8,150) | (20,602) | (31,067) |
| System migration | — | (594) | (118) | (2,174) |
| Transformation | (252) | (607) | (1,567) | (3,333) |
| Executive costs | — | — | (3,326) | — |
| Adjusted operating expenses | \$ 103,822 | \$ 109,282 | \$ 421,892 | \$ 448,162 |

SKILLSOFT CORP.
FREE CASH FLOW RECONCILIATION
(in thousands, unaudited)

| | Three Months Ended January 31, | | Twelve Months Ended January 31, | |
|---|-----------------------------------|-----------|------------------------------------|----------|
| | 2025 | 2024 | 2025 | 2024 |
| Free cash flow reconciliation | | | | |
| Net cash provided by (used in) operating activities | \$ 17,751 | \$ 11,499 | \$ 29,965 | \$ 2,818 |
| Purchase of property and equipment, net | (783) | (428) | (1,593) | (4,181) |
| Internally developed software - capitalized costs | (3,747) | (5,667) | (16,765) | (13,722) |
| Total free cash flow | 13,221 | 5,404 | 11,607 | (15,085) |
| Cash impact for adjusted EBITDA excluded charges | 4,341 | 7,655 | 21,528 | 17,753 |
| Adjusted free cash flow (levered) | \$ 17,562 | \$ 13,059 | \$ 33,135 | \$ 2,668 |